



Pay Retailers

Brazil

LATAM's Largest
Economy

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The Brazilian market

Brazil, a federal republic comprising of 44 states, is by far the largest country in Latin America, spanning a total area of more than 8.5 million square kilometers.¹ The country is rich in natural resources, making it among the world's largest producers of iron ore, phosphate, and tin.² Apart from diamonds, Brazil has massive deposits of chromium, manganese, copper, and several other minerals.

The Brazilian economy is expected to grow by:

1.5% in 2022

2.5% in 2023

Brazil's vast stretches of fertile land makes it the world's largest producer and exporter of coffee, sugar, and orange juice.³ The country is also a major producer and exporter of a number of agricultural produce, including soybean, corn, cotton, and cocoa.

With a gross domestic product of \$1.87 trillion, Brazil is the world's ninth-largest economy and the largest economy in Latin America.⁴



215.5 million

population



33.5 Years

median age of Brazilian population



Brazilian Real

(BRL) – currency



70%

internet user penetration



162%

internet users in Brazil



\$69 billion

expected total transaction volume in digital payments by 2025

Brazil's retail sales grew 0.9% in April 2022, following a 1.4% gain in March and topping market expectations of 0.4% growth.⁵ This was the fourth consecutive month of growth.

Brazil's industry confidence rose to 57.8 in June 2022, from 56.5 in the prior month, reaching the highest level since October 2021. Sentiment around the Brazilian economy improved, while entrepreneurs on average expressed greater optimism around the future growth of their companies.⁶

Brazil is the largest ecommerce market in Latin America.

In 2021, online shopping in Brazil generated 161 billion Brazilian reals in revenue, a figure set to rise by 8% in 2022

Brazil's growing services sector

The services sector is the largest in Brazil and accounted for 62.9% of GDP in 2020.⁷ Brazil's massive population offers vast potential for growth of this sector. The main sub-sectors within the services sector are:

Online sales

Travel and tourism

Financial services

These sub-sectors have been driven in the recent years by the buying habits of Brazil's large youth population, which is internet and mobile savvy.

Brazil's booming ecommerce market

Covid-19 related lockdowns drove online shopping, particularly mobile-powered ecommerce (m-commerce).

Ecommerce sector



100%

growth in online shopping revenue from 2019 to 2021



8%

further growth in 2022⁸



5th

growth forecast by 2024

What do Brazilians shop for online?

Electronics

Books and Magazines

Consumer Goods

Mobile Phones

30%

share of Latin America's ecommerce market

161 bn

Brazilian reais of online sales revenue

46 mn

number of unique e-shoppers¹⁰

Brazil's strong travel and tourism sector

Brazil is the largest country in Latin America and the fifth-largest worldwide. It is a major player in key sectors of the region, particularly, travel and tourism. Although Brazil attracts a large number of foreign tourists, the travel and tourism sector is driven by locals. Brazilians account for more than 90% of tourism spending in the country.



US\$ 8.13 bn

revenue projected from travel & tourism in 2022

US\$11.86 bn

revenue from travel & tourism projected to reach by 2026

76%

travel & tourism revenue is expected to be generated via online sales by 2026¹¹

Brazil's growing services sector

The country's rapid internet penetration and mobile phone adoption formed the perfect backdrop for fintech growth. Brazil is projected to emerge as one of the top five major smartphone markets by 2025, with 200 million mobile connections.¹²

The fintech sector has grown rapidly, focusing on innovations to widen the reach and facilitate the use of financial services. The segment comprises of companies facilitating digital payments, investments, and alternative finance. Fintech startups have mushroomed across Brazil.

The emerging fintech sector innovates to enhance and streamline financial services delivery and usage

N° 1

highest number of fintechs in Latin America

N° 12

in the fintech sector

58%

share of all fintech venture capital deals in Latin America¹³

Why do business in Brazil

Large economy

The country's gross domestic product expanded from less than US\$510 billion in 2002 to almost US\$2.5 trillion in 2012. Although the economy shrank to US\$1.4 trillion during the pandemic, it is projected to grow to US\$2.4 trillion by 2027.¹⁴

Large consumer market

With a population of more than 215 million, Brazil is the biggest consumer market in Latin America. The value of the country's consumer market grew to 562.3 billion Brazilian reals in 2020, up almost 9% from around 516.2 billion Brazilian reals in 2019.¹⁵

Young population

More than 60% of Brazilians are 29 years or younger. The median age is 33.5 years. A large population of young workers increases demand for goods and services and the high adoption of innovative products.

Openness to foreign investment

Foreign direct investment (FDI) into Brazil stood at US\$ 608 billion at the end of 2020. Brazil is the largest recipient of FDIs in Latin America and the eleventh largest in the world.¹⁸



Nº 5

world's fifth largest country by area



Nº6

world's sixth most populous country



69.3%

percentage of working age population¹⁷



11%

largest receiver for foreign capital inflow in the world

Brazil's economic expansion

Sectors that traditionally led the growth of the Brazilian economy were:

Mining

Agriculture

Textiles

Automotive

Petroleum processing

Iron & steel production

Sectors spearheading growth include:

Digital payments

IT sector

Renewable energy

Ecommerce



The growth of digital payments in Brazil

Digital payments in Brazil have been driven by an overhaul of the regulatory framework, increased use of cutting-edge technology and a focus on products to address the needs of the country's ordinary citizens.

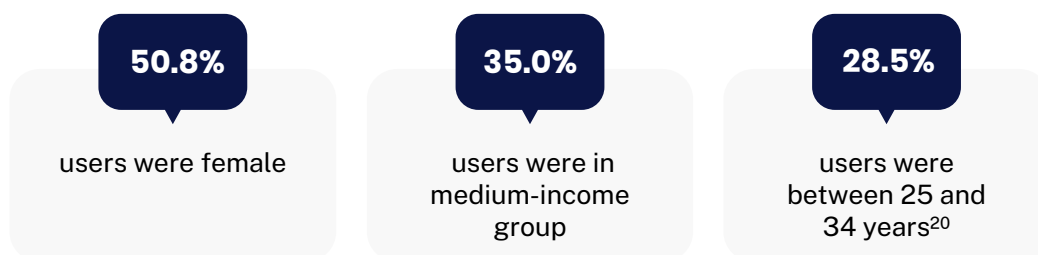
Digital payments are revolutionising Brazil's banking sector. These profound changes have led to the strengthening of Brazil's financial ecosystem and increased financial inclusion in the country's massive population.¹⁹

98% of Brazilian bank customers use some form of digital payment method

Brazil's growing digital payments segment

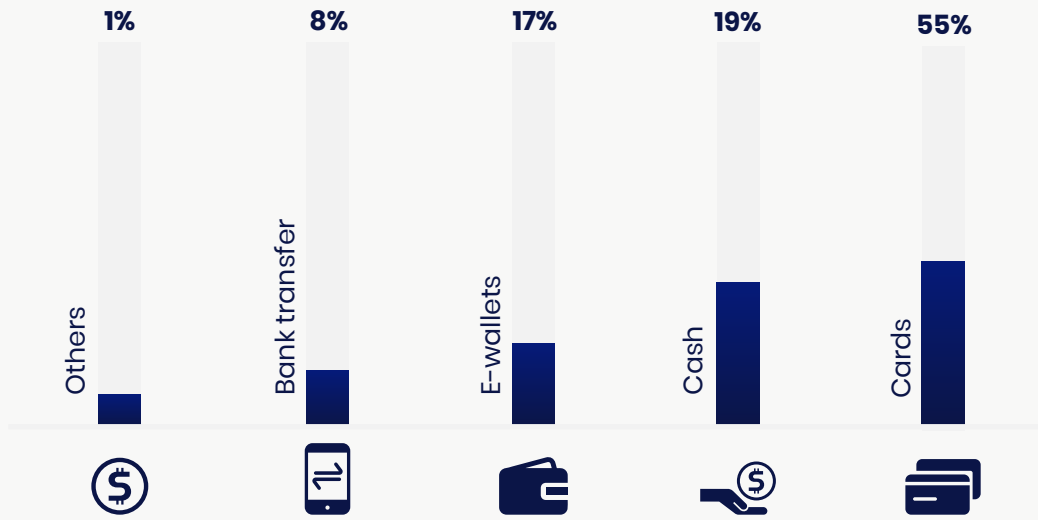


Demographics of the segment (2021)



Ecommerce

Segments that account for maximum ecommerce revenues⁴¹



Main Payment Methods in Brazil



1. Pix

This payment platform is created and managed by the Central Bank of Brazil. Launched in 2019, the electronic payment system became fully operational in November 2020. The platform supports all forms of instant money transfers, between individuals (P2P), between individuals and businesses (P2B), between businesses (B2B), between individuals and the government (P2G), and between businesses and the government (B2G).

Pix has more than 150 million users,
including both private and corporate accounts – by 2023



Expand your business in Brazil with PayRetailers

PayRetailers takes your business to Brazil with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

Local collection, global settlements

Make sales in Brazilian reals and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

Online Payments



Cash Payments





Fintech associations



Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

Are you interested in the Brazilian market?

Our team of experts can help you:

- Understand your Brazilian customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Brazilian consumers in your industry to form a local payment strategy.

50+ leading companies trust us.
Operate via a local partner, so that there is no need to set up a local entity.

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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